

ANALYSIS OF THE MERCATOR POLICY OPTIONS

I-77 *EXPRESS*
LANES

Local Advisory Group Meeting #6

April 16, 2018

Group Purpose

Advise and Provide Input for the NCDOT Secretary

- a) Analyze Mercator Report 'Options to Consider'*
- b) Assess potential changes for the I-77 Express Lanes Project's Scope and P3 Contract*



Introductions and Roles

- **Local Advisory Group**

Provides input; analyzes pros and cons of various options

- **NCTA Staff**

Liaison with NCDOT; point of contact for LAG information requests

- **Mercator / RS&H Team**

Researches and presents options; brings expertise with projects of this size and scope

- **Facilitators**

Helps group have productive discussion and use its time effectively

Purpose and Approach: Ground Rules

- **“Share the Air”**
- **Listen to Others’ Perspectives**
- **Focus on Interests Before Taking Positions**
- **Seek Common Ground and Action**
- **When Speaking to Press and Public, Share Your Own View; Avoid Attributions About What Others Said**
- **Report Back to Your Respective Appointing Organizations**



Agenda – Meeting #6

- **Introduction**
- **Status of Information Requests**
- **Complete Policy Option Assessment**
- **Option Review and Discussion**
- **Closing**



Information Requested at the LAG Meetings #4 & 5

- **Information Has Been Sent Out to the LAG Members on April 11, 2018**

- Provide examples of express lanes projects that allow vs. prohibit usage of trucks
- What are the projections for number of HOT3+ users in the NEPA analysis?
- What are the % trucks currently on I-77?

- **Information Requests – Provide Update During This Meeting**

- Update on the Corridor Cap language in the STI Law
- Update on the Bonus Allocation funding language in the STI Law
- Update to the quality of construction of the I-77 Project
- Difference in toll rates under Public vs. Private operated facilities
- How would the life expectancy of I-77 Express Lanes pavement change with or without trucks being allowed?

- **Information Requests Under Progress**

- Estimated completion of the projects funded through Bonus Allocation monies
- Run a hypothetical scenario with STI for I-77 termination options

MERCATOR OPTIONS

Mercator Policy Options

Option A: Terminate the CA and Complete the Express Lanes Project Using Public Funding or Financing as it Becomes Available

Option B: Terminate the CA and Allow CRTPO to Determine Whether Express Lanes Should Remain in the Transportation Plan or be Replaced or Supplemented with Other Improvements Based on Available Resources

Option C: Negotiate Modifications to the Project Scope and/or the Terms of the CA, Such as:

C.1 - Deferring or eliminating tolling of certain lanes

C.2 - Reduce the financial impact on local residents by establishing frequent user discounts or toll credits

C.3 - Revising the truck restrictions to allow larger vehicles that can use the express lanes safely

C.4 - Encouraging greater use of new capacity by allowing HOT2+ for some period of time

C.5 - Modifying the compensation provisions for unplanned revenue impacting facilities

Option D: Work with CRTPO to Identify and Advance Additional Improvements to Address Mobility Issues in the Corridor

Option E: Develop Preliminary Plans to Negotiate and Finance the Purchase of the Express Lanes Project After Completion

Option F: Complete and Delete

OPTION ASSESSMENT

COSTS, APPROVALS, AND SCHEDULE IMPACTS

F: Complete and Delete

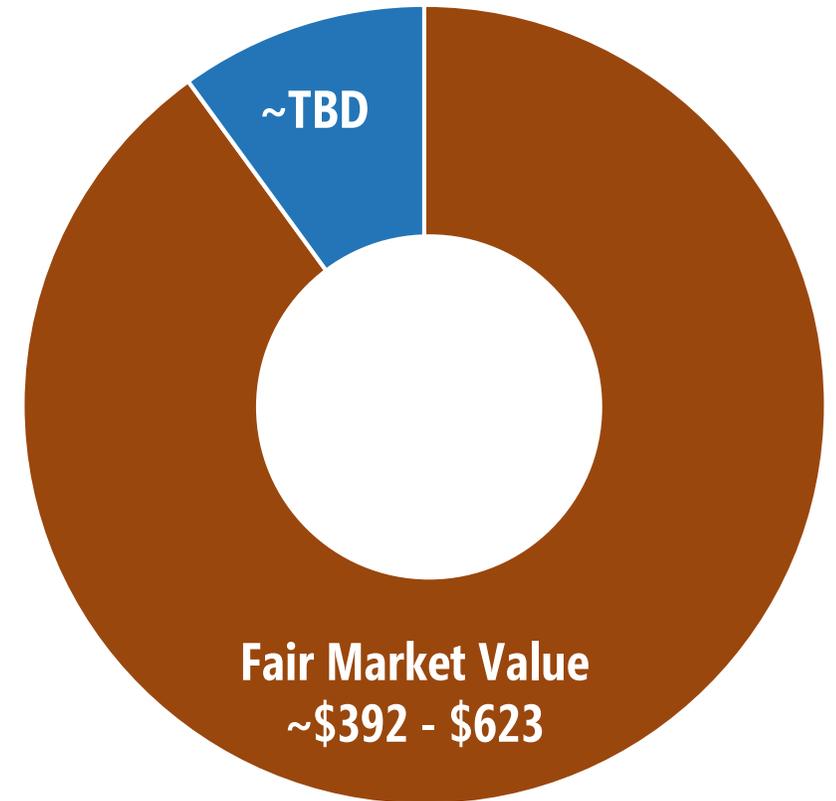
- **Developer would Complete the Construction of Additional Lanes**
- **Contract would be Modified to “Delete” the Electronic Toll Collection System**
 - Effectively converting the express lanes to general purpose lanes
- **Contract would be Terminated After Construction is Complete**
- **NCDOT would Operate and Maintain the New Lanes**
 - Which would be open to all traffic except heavy trucks
 - Existing HOV lane limits would be retained
- **Additional Considerations:**
 - Overpass bridge structures conflict with expanding new lanes adjacent to current general purpose lanes in south and central sections
 - Maintain current ingress/egress access and direct connectors vs. reduced/limited access

This information is based on public feedback on the Draft Mercator report and does not reflect how this Option could be implemented.

OPTION F: COMPLETE AND DELETE

Cost Impacts – F

COMPLETION COST ITEM	APPROXIMATE COST	NOTES
Design and Construction Modifications	TBD	Scope questions remain regarding leaving as a non-tolled express lane system or adjacent general purpose lanes. Also, south and central sections have overpasses conflicting with having all lanes adjacent to one another.



■ Fair Market Value ■ Design and Construction Modification

All estimates do not include additional allowable amounts per contract for Termination and also assume that the public funds are utilized as planned.

Scope and Funding Approvals – F

APPROVALS	REQUIRED?	NOTES
CRTPO MTP Project List Amendment	Yes	Project scope would be different.
STI Project Prioritization	Yes	In order to obtain funds to pay for the termination, STI Project Prioritization would be required. Next Prioritization is expected to occur between 2019 and 2021, which prioritizes projects to be included in the funded project list for FY2022 to FY2031. Inclusion of the I-77 Project in this list would be dependent on competition against other projects and availability of funding.
Air Quality Conformity Determination	Yes	Project scope would be different.
Environmental Documentation	Yes	Revised document would need to be prepared for the scope change.
FHWA and Other Agencies	Yes	Additional reviews and associated approvals.

OPTION F: COMPLETE AND DELETE

Schedule Impacts – F

2018			2019				2020				2021				2022				2023				2024							
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Pause Construction																														
MTP Project List Amendments			<i>Schedule shown on this slide is dependent on when CRTPO identifies and agrees on the new project and amends the MTP Project List.</i>																											
			STI Project Prioritization												<i>Next project prioritization is expected to occur between 2019 and 2021 (to include projects in the funded project list for FY2022 to FY2031).</i>															
			Environmental Documentation																											
							A/Q Conformity Determination																							
											FHWA & Agency Approvals																			
															Re-Let Project				<i>Pending on the inclusion of I-77 project in the funded project list, which is dependent on competition against other projects and availability of funding.</i>											
			Current Project -- Open to Traffic (Anticipated)																											
																			Construction											
																											Open to Traffic			

Depending on funding availability and status of construction at the time of termination, this schedule could change.

Discussion of Option F

- **How Do You See the Pros/Cons of This Option?**

EVALUATION MATRIX

Evaluation Matrix

MERCATOR POLICY OPTION	EVALUATION FACTORS											
	Requires STI Scoring	Requires CRTPO Approvals	State Operated	Includes Tolling	Contract Action	Potential Cost Impacts	Schedule Impacts to Open the Project	Reliable Travel Time	Adds General Purpose Lane Capacity	Bonus Allocation Impacts	Reduces Congestion in GP Lanes	Economic Impact
A. Terminate the CA and (NCDOT) Complete the Project.	✓	--	✓	✓	<i>Terminate</i>	~\$640M	4+ years	✓	--	<i>TBD</i>		
B. Terminate the CA and the Project	✓	✓	TBD	TBD	<i>Terminate</i>	>\$640M	6+ years	TBD	<i>TBD</i>	✓		
C-1. Eliminate Tolling of Certain Lanes	✓	✓	--	✓	<i>Modify</i>	~\$85M - \$135M	4+ years	✓	✓	--		
C-2. Reducing the Financial Impact on Frequent Users (Discounts or Caps)	--	--	--	✓	<i>Modify</i>	<\$50M	--	✓	--	--		
C-3. Allow Certain Trucks that can Use the ELs Safely	--	✓	--	✓	<i>Modify</i>	TBD	--	✓	--	--		
C-4. Allow HOV2 for Some Period of Time	--	✓	--	✓	<i>Modify</i>	<\$50M	--	✓	--	--		
C-5. Modify the Compensation Provisions for Unplanned Revenue Impacting Facilities	--	--	--	✓	<i>Modify</i>	<\$50M	--	✓	<i>TBD</i>	--		
D. Work with CRTPO to Identify and Advance Other Projects	<i>Concept needs to be further defined before evaluating this Option</i>											
E. Purchase the Project After Completion	✓	--	✓	✓	<i>Terminate</i>	~\$392M - \$623M	--	✓	--	<i>TBD</i>		
F. Complete and Delete	✓	✓	✓	--	<i>Terminate</i>	>\$392M - \$623M	5+ years	--	✓	✓		
Other ideas/Options												

Closing

- **Meeting Evaluation**
- **Discuss Next Steps**

THANK YOU!